

AMENDED IN ASSEMBLY MAY 6, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1186

Introduced by Assembly Member Strickland

February 21, 2003

An act to amend Section 19984 of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

AB 1186, as amended, Strickland. Gambling Control Act: proposition player services.

The Gambling Control Act provides for the licensure and regulation of proposition player services by the California Gambling Control Commission.

This bill would require the California Gambling Control Commission to deny this licensure to any applicant thereof who ~~is convicted of a specified crime~~ *does not meet specified criteria, to the satisfaction of the commission, including, but not limited to, the requirement of being a person of good character, honesty, and integrity, and otherwise being qualified for licensure.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19984 of the Business and Professions Code is amended to read:

19984. Notwithstanding any other provision of law, a licensed gambling establishment may contract with a third party for the purpose of providing proposition player services, subject to the following conditions:

(a) Any agreement, contract, or arrangement between a gambling establishment and a third-party provider of proposition player services shall be approved in advance by the division, and a gambling establishment or the house may not have any interest, whether direct or indirect, in funds wagered, lost, or won.

(b) (1) The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition player services to gambling establishments pursuant to this section, including owners, supervisors, and players. Those employed by a third-party provider of proposition player services, including owners, supervisors, observers, and players, shall wear a badge which clearly identifies them as proposition players whenever they are present within a gambling establishment. The commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state, and may assess and collect reasonable fees and deposits as necessary to defray the costs of providing this regulation and oversight.

~~(2) The commission shall disqualify and deny licensure to any applicant described in paragraph (1) for any of the following reasons:~~

~~(A) Conviction of any felony, including, but not limited to, a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.~~

~~(B) Conviction of any misdemeanor involving moral turpitude, including, but not limited to, a conviction by a federal court or a court in another state for a crime that would constitute a misdemeanor involving moral turpitude if committed in California.~~

1 (2) *No license shall be issued pursuant to paragraph (1) unless,*
2 *based on all of the information and documents submitted, the*
3 *commission is satisfied that the applicant is all of the following:*

4 (A) *A person of good character, honesty, and integrity.*

5 (B) *A person whose prior activities, criminal record, if any,*
6 *reputation, habits, and associations do not pose a threat to the*
7 *public interest of this state or to the effective regulation and control*
8 *of controlled gambling, or create or enhance the dangers of*
9 *unsuitable, unfair, or illegal practices, methods, and activities in*
10 *the conduct of controlled gambling or in the carrying on of the*
11 *business and financial arrangements incidental thereto.*

12 (C) *A person that is in all other respects qualified to be licensed*
13 *as provided in this chapter.*

14 (c) The division, pursuant to regulations of the commission, is
15 empowered to perform background checks, financial audits, and
16 other investigatory services as needed to assist the commission in
17 regulating third-party providers of proposition player services,
18 and may assess and collect reasonable fees and deposits as
19 necessary to defray the costs of providing this regulation and
20 oversight. The division may adopt emergency regulations in order
21 to implement this subdivision.

22 (d) An agreement or contract between a licensed gambling
23 establishment and a third party concerning the provision of
24 proposition player services may not be invalidated or prohibited
25 by the division pursuant to this section until the commission
26 establishes criteria for, and makes determinations regarding the
27 licensure or registration of, the provision of these services
28 pursuant to subdivision (b).

